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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-016

Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review and Rescission, In Part; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain producers and exporters of passenger vehicle and light truck tires (passenger tires) from the People's Republic of China (China) did not make sales of subject merchandise at prices below normal value (NV) during the period of review (POR) August 1, 2017 through July 31, 2018.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Toni Page, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1398.

SUPPLEMENTARY INFORMATION:

Background

On August 10, 2015, Commerce issued an antidumping duty (AD) order on passenger tires from China.¹ Several interested parties requested that Commerce conduct an administrative review of the *AD Order*, and on October 4, 2018, Commerce published in the *Federal Register* a

¹ See *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order*; and *Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 47902 (August 10, 2015) (*AD Order*).

notice of initiation of an administrative review of the *AD Order* for 42 producers/exporters for the POR.² On January 28, 2019, Commerce exercised its discretion to toll all deadlines by 40 days to account for the shutdown of the Federal government from December 22, 2018 through the resumption of operations on January 29, 2019.³ On June 10, 2019, and again on September 6, 2019, Commerce extended the time limit for completing the preliminary results of this review. The current extended deadline for completing the preliminary results of this review is October 10, 2019.⁴

Scope of the Order

The products covered by the order are certain passenger vehicle and light truck tires from China. A full description of the scope of the order is contained in the Preliminary Decision Memorandum.⁵

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). Commerce preliminarily determines that Shandong New Continent Tire Co., Ltd.'s (New Continent) reported U.S. sales were either export price (EP) or constructed export price (CEP). We calculated EP and CEP sales in accordance with section 772 of the Act. Given that China is a non-market economy (NME) country, within the

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 50077 (October 4, 2018) (*Initiation Notice*).

³ See Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

⁴ See Memoranda, "Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review—2017-2018," dated June 10, 2019; and "Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review—2017-2018," dated September 6, 2019.

⁵ See Memorandum, "Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China and Rescission, in part; 2017-2018," dated October 10, 2019 (Preliminary Decision Memorandum).

meaning of section 771(18) of the Act, Commerce calculated NV in accordance with section 773(c) of the Act.

For a full description of the methodology underlying the preliminary results of this review, *see* the Preliminary Decision Memorandum, which is incorporated by, and hereby adopted by this notice. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content. A list of topics included in the Preliminary Decision Memorandum is provided in Appendix I to this notice.

Partial Rescission of Administrative Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the party or parties that requested a review withdraws the request within 90 days of the publication date of the notice of initiation of the requested review. Shouguang Firemax Tyre Co., Ltd.; Shandong Wanda Boto Tyre Co., Ltd.; Bridgestone (TIANJIN) Tire Co., Ltd.; Bridgestone Corporation; Cooper (Kunshan) Tire Co., Ltd.; Fleming Limited; Guangrao Taihua International Trade Co., Ltd.; Qingdao Keter International Co., Limited; Qingzhou Detai International Trading Co., Ltd.; Shengtai Group Co., Ltd.; Shandong Guofeng Rubber Plastic Co., Ltd.; Shandong Hengyu Science & Technology Co., Ltd.; Qingdao Jinhaoyang International Co., Ltd.; Riversun Industry Limited; Haohua Orient International Trade Ltd.; Windforce Tyre

Co., Limited; Tyrechamp Group Co., Limited; Macho Tire Corporation Limited; Qingdao Lakesea Tyre Co., Ltd.; Safe&Well (HK) International Trading Limited; and Triangle Tyre Co., Ltd. withdrew their respective requests for an administrative review within 90 days of the publication date of the notice of initiation.

No other parties requested an administrative review of the order with respect to the aforementioned companies. Therefore, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the AD order on passenger tires from China with respect to the listed companies.

Separate Rates

Commerce preliminarily determines that the information placed on the record by New Continent, as well as by the other companies listed in the rate table in the “Preliminary Results of Review” section below, demonstrates that these companies are entitled to separate rate status. Neither the Act nor Commerce’s regulations address the establishment of the rate applied to individual companies not selected for examination where Commerce limited its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Commerce’s practice in cases involving limited selection based on exporters accounting for the largest volume of imports has been to look to section 735(c)(5) of the Act for guidance, which provides instructions for calculating the all-others rate in a market economy investigation. Section 735(c)(5)(A) of the Act instructs Commerce to use rates established for individually investigated producers and exporters, excluding any rates that are zero, *de minimis*, or based entirely on facts available in investigations. In the instant administrative review, New Continent is the only reviewed respondent that received a calculated weighted-average margin. Therefore, for the preliminary

results, Commerce has preliminarily determined to assign New Continent's margin to the non-selected separate-rate companies.

In addition, Commerce preliminarily determines that certain companies have not demonstrated their entitlement to separate rate status because: (1) they withdrew their participation from the administrative review; (2) they did not rebut the presumption of *de jure* or *de facto* government control of their operations; or (3) did not timely file their separate rate application and/or certification.⁶ See Appendix II of this *Federal Register* notice for a complete list of companies not receiving a separate rate.

Commerce is treating the companies for which it did not grant separate rate status as part of the China-wide entity. Because no party requested a review of the China-wide entity, the entity is not under review, and the entity's rate (*i.e.*, 87.99 percent)⁷ is not subject to change.⁸

Adjustments for Export Subsidies

Commerce has preliminarily adjusted New Continent's U.S. price for export subsidies, pursuant to 772(c)(1)(C) of the Act.

⁶ See Memorandum, "Antidumping Duty Administrative Review of Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Preliminary Separate Rate Status," dated October 10, 2019 for a complete discussion regarding the companies preliminarily granted or not granted separate rate status.

⁷ See *AD Order*, 80 FR at 47906.

⁸ For additional information regarding Commerce's separate rate determinations, see the Preliminary Decision Memorandum.

Preliminary Results of Review

As a result of this review, we preliminarily determine the weighted-average dumping margins rates to be:

Exporter	Weighted-Average Dumping Margin (Percent)
Shandong New Continent Tire Co., Ltd.	0.00
Anhui Jichi Tire Co., Ltd.	0.00
Crown International Corporation	0.00
Hankook Tire China Co., Ltd.	0.00
Jingsu Hankook Tire Co., Ltd.	0.00
Kenda Rubber (China) Co., Ltd.	0.00
Kinforest Tyre Co., Ltd.	0.00
Mayrun Tyre (Hong Kong) Limited	0.00
Qingdao Fullrun Tyre Corp., Ltd.	0.00
Qingdao Sunfulcess Tyre Co., Ltd.	0.00
Qingdao Transamerica Tire Industrial Co., Ltd.	0.00
Shandong Anchi Tyres Co., Ltd.	0.00
Shandong Duratti Rubber Corporation Co., Ltd.	0.00
Shandong Haohua Tire Co., Ltd.	0.00
Shandong Hongsheng Rubber Technology Co., Ltd.	0.00
Shandong Longyue Rubber Co., Ltd.	0.00
Shandong Province Sanli Tire Manufactured Co., Ltd.	0.00
Winrun Tyre Co., Ltd.	0.00

Disclosure and Public Comment

Commerce intends to disclose to parties the calculations performed for these preliminary results of review within five days of the date of publication of this notice in the *Federal Register* in accordance with 19 CFR 351.224(b). Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review.⁹ Rebuttal briefs may be filed no later than five days after case briefs are due, and may respond only to arguments

⁹ See 19 CFR 351.309(c)(ii).

raised in the case briefs.¹⁰ A table of contents, list of authorities used, and an executive summary of issues should accompany any briefs submitted to Commerce. The summary should be limited to five pages total, including footnotes.¹¹

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice.¹² Requests should contain the party's name, address, and telephone number, the number of participants in, and a list of the issues to be discussed at, the hearing. Oral arguments at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹³ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date of the hearing.

All submissions, with limited exceptions, must be filed electronically using ACCESS.¹⁴ An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5 p.m. Eastern Time (ET) on the due date. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with the APO/Dockets Unit in Room 18022 and stamped with the date and time of receipt by 5 p.m. ET on the due date.¹⁵

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, which will include the results of its analysis of issues raised in any briefs,

¹⁰ See 19 CFR 351.309(d).

¹¹ See 19 CFR 351.309(c)(2), (d)(2).

¹² See 19 CFR 351.310(c).

¹³ See 19 CFR 351.310(d).

¹⁴ See generally 19 CFR 351.303.

¹⁵ *Id.* (for general filing requirements); see also *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011).

within 120 days of publication of these preliminary results of review, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

Upon issuance of the final results of this review, Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.¹⁶ Commerce intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. For each individually examined respondent in this review whose weighted-average dumping margin in the final results of review is not zero or *de minimis* (i.e., less than 0.5 percent), Commerce intends to calculate importer-specific assessment rates, in accordance with 19 CFR 351.212(b)(1).¹⁷ Where the respondent reported reliable entered values, Commerce intends to calculate importer-specific *ad valorem* assessment rates by aggregating the amount of dumping calculated for all U.S. sales to the importer, and dividing this amount by the total entered value of the sales to the importer.¹⁸ Where the importer did not report entered values, Commerce intends to calculate an importer-specific assessment rate by dividing the amount of dumping for reviewed sales to the importer by the total sales quantity associated with those transactions. Where an importer-specific *ad valorem* assessment rate is not zero or *de minimis*, Commerce will instruct CBP to collect the appropriate duties at the time of liquidation. Where either the respondent's weighted average dumping margin is zero or *de minimis*, or an importer-specific *ad valorem* assessment rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.¹⁹

¹⁶ See 19 CFR 351.212(b)(1).

¹⁷ See *Antidumping Proceedings: Calculation of the Weighted Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012) (*Final Modification*).

¹⁸ See 19 CFR 351.212(b)(1).

¹⁹ See *Final Modification*, 77 FR at 8103.

Pursuant to Commerce practice, for entries that were not reported in the U.S. sales database submitted by an exporter individually examined during this review, Commerce will instruct CBP to liquidate such entries at the rate for the China-wide entity.²⁰ Additionally, if Commerce determines that an exporter under review had no shipments of the subject merchandise, any suspended entries that entered under that exporter's CBP case number will be liquidated at the rate for the China-wide entity.

For the companies for which this review is rescinded, antidumping duties will be assessed at rates equal to the cash deposit of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue appropriate assessment instructions with respect to the companies for which this review is rescinded to CBP 15 days after the publication of this notice.

In accordance with section 751(a)(2)(C) of the Act, the final results of this review shall be the basis for the assessment of antidumping duties on POR entries, and for future deposits of estimated antidumping duties, where applicable.

Cash Deposit Requirements

Commerce will instruct CBP to require a cash deposit for antidumping duties equal to the weighted-average amount by which NV exceeds U.S. price. The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from China entered, or withdrawn from warehouse, for consumption on or after the publication date of this notice, as provided by section 751(a)(2)(C) of the Act: (1) for the exporters listed above, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this review (except that, if the rate is

²⁰ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011), for a full discussion of this practice.

de minimis (*i.e.*, less than 0.5 percent), then the cash deposit rate will be zero for that exporter); (2) for previously investigated or reviewed China and non-China exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recently completed segment of this proceeding; (3) for all China exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the China-wide entity (*i.e.*, 76.46 percent);²¹ and (4) for all non-China exporters of subject merchandise that have not received their own rate, the cash deposit rate will be the rate applicable to the China exporter that supplied that non-China exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties and/or countervailing duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties and/or countervailing duties has occurred, and the subsequent assessment of double antidumping duties and/or an increase in the amount of antidumping duties by the amount of the countervailing duties.

²¹ See *AD Order*, 80 FR at 47904.

These preliminary results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: October 10, 2019

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Partial Rescission of Administrative Review
- IV. Scope of the Order
- V. Discussion of the Methodology
- VI. Recommendation

Appendix II

List of Companies Not Receiving Separate Rate Status

1. Pirelli Tyre Co., Ltd.
2. Qingdao Odyking Tyre Co., Ltd.
3. Tianjin Wanda Tyre Group Co., Ltd.

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